

REMARKS

The Office Action of June 18, 2002 has been carefully considered.

As requested, the title has been changed, and an abstract has been added to the application.

Claims 14-30 have been rejected under 35 USC 102(b) over Baird et al.

The invention provides a software-based method for financial service in which a customer is guided to determine an appropriate amount for investment in relation to an existing asset, without unnecessary risk to the asset should the investment prove unsuccessful. The invention makes use of the discount value of an asset, which may be estimated from the present value of a return which can be derived from the asset, to provide a guideline in determining an appropriate amount and term for investment. Investing an amount which is less than or approximately equal to the discount value will generally safeguard against possible loss of the asset, and thereby reduce risk. The value of the investment can also be compared to the value of the asset and calculations presented to a customer for a range of possible terms of investment.

Prior art systems and methods provide investment options but they do not provide methods to calculate prudent limits on the amount invested.

The invention as claimed in claim 14, includes the steps of receiving data from the investor relating to the potential return from the asset over the preferred term and calculating a discount value for the asset from the potential return, then calculating market values for a range of potential investments using the discount value of the asset and the preferred term of investment.

US Patent No. US 5,220,500 to Baird et al describes a system intended primarily for research providing an examination of financial data on investment opportunities. The Baird system relies heavily on the graphic powers of the workstation. Database operations and mathematical manipulations that make up an investor's investment strategy are described and the user may screen the database to select companies or securities with a particular set of objectives. The Baird system computes, for each business segment of a company, the segment's share of industry total market and the market share.

The Baird system does not disclose or suggest calculating a discount value for the asset and using that discount value of the asset to calculate market values for a range of potential investments.

It is noted that claims 14-22 and 27 include the feature of calculating a discount value for the asset from the

potential return, and thereby distinguish over Baird et al.

Another feature of the invention, included in independent claims 23, 24, 25, 28, 29 and 30, is related to the calculation of a discount value, and is the feature of presenting the investor with a range of market values for a range of investments, including at least some investments in which the amounts invested are less than or equal to the potential return from the asset, the value of investment is less than or equal to the value of the asset, the term of the investment is substantially equal to the preferred term, or the value and term of the investment are substantially matched to the value of the asset in the preferred term respectively. Similar to a discount value, such calculations, and subsequent presentation to an inventor, encourage prudent investing and serve to reduce risk.

The Baird system is based on selection or arrangement of investment entities, in contrast with the claimed invention which is based on the amount of investment in relation to an existing asset or liability. The Baird system modifies a model of investment strategy, whereas the claimed invention determines the portion of a value of an asset for investment. The Baird system describes data as being one or more sets of statistics arising from a combination of two or more items, in contrast to the claimed invention in which data from the

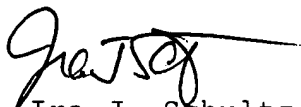
investor relates to the market value of the asset.

Moreover, the Baird system classification is based on a set of investment entities, whereas the claimed invention is based on asset determinations. Baird thus selects possible investment entities which belong to a class of investment entities, whereas the claimed invention includes the step of receiving from an investor a selection based on the determined range of investments of the asset.

Accordingly, all claims in the application clearly distinguish over Baird et al, and withdrawal of this rejection is requested.

In view of the foregoing amendments and remarks, Applicant submits that the present application is now in condition for allowance. An early allowance of the application with amended claims is earnestly solicited.

Respectfully submitted,



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